

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION

<p>Docket No.: 2020-264-E</p> <p>Duke Energy Carolinas, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20 (See Docket No. 2019-170-E)</p>	<p>DIRECT TESTIMONY OF ALDER ENERGY SYSTEMS, LLC</p>
<p>Docket No.: 2020-265-E</p> <p>Duke Energy Progress, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20 (See Docket No. 2019-169-E)</p>	

Intervenor Alder Energy Systems, LLC offers the direct testimony of its witness and Chief Executive Officer, **Donald R. Zimmerman**, MS, MBA, NABCEP, as follows.

This filing conforms with S.C. CODE ANN. REGS. § 103-820 [form requirements].

1 **Q: SUMMARIZE YOUR DIRECT TESTIMONY.**

2 A: My name is Donald R. Zimmerman. I am the principal and founder of Alder
3 Energy Systems, LLC, a solar developer and EPC contractor based out of Charleston,
4 South Carolina. The company focuses on providing customer-sited, distributed
5 generation solar solutions (“DG” or “customer-generat[...]”) to commercial and
6 industrial ratepayers (“C&I” or “nonresidential”), including those in the service
7 territories of Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC
8 (“DEP” and together with DEC, “Duke Energy”).

9 On February 8, 2020 Alder Energy filed a ‘Stipulation’ for the Commission’s
10 consideration in the above-noted dockets. (Matter ID. ## 297094, 297095.) The
11 Stipulation outlines terms representing a negotiated compromise between Alder
12 Energy and Duke Energy with respect to disputed matters litigated in the instant
13 proceeding.

14 Alder believes the terms enumerated by the Stipulation comply with portions
15 of the Energy Freedom Act (“A62”) and represent the best possible outcome for C&I
16 customer-generation, in light of the compromise positions of Alder and Duke Energy.
17 On these grounds Alder Energy respectfully requests that the Public Service
18 Commission of South Carolina (the “Commission”) approve the Stipulation and enter
19 an order requiring Duke Energy to file proposed tariffs, in conformance therewith.

20 **Q: HIGHLIGHT THE TERMS OF THE STIPULATION.**

21 The Solar Choice tariff(s) proposed by the Stipulation are comprised of the
22 nonresidential customer-generator’s existing tariff with the addition of a ‘Non-
23 Residential Rider’ (collectively, the “Non-residential Solar Choice tariff”). The Non-
24 residential Solar Choice tariff maintains net metering for nonresidential customer-

1 generators applying for interconnection after June 1, 2021 for a period of ten years.
 2 Nonresidential customer-generators taking service under Duke Energy's 'Small
 3 General Service Rate' will be eligible for the Non-residential Solar Choice tariff for a
 4 period of five years or until the total solar capacity for this rate class equals 5 MW-AC
 5 in DEC-SC territory and 1 MW-AC in DEP-SC territory, whichever occurs first.

6 The Non-residential Solar Choice tariff proposes two changes to the manner in
 7 which nonresidential customer-generators participating in net energy metering
 8 ("NEM") currently take service from Duke Energy. First, the NEM period netted is
 9 one-month under the Non-residential Solar Choice tariff.¹ Current nonresidential
 10 customer-generators participating in NEM enjoy a one-year netting period.

11 Second, the Non-residential Solar Choice tariff provides a mechanism by
 12 which nonresidential customer-generators can maintain their ownership of the
 13 Renewable Energy Credits associated with their investment in DG created from the
 14 sun—a carbon-free fuel source.

15 **Q: DOES THE STIPULATION COMPLY WITH THE ENERGY FREEDOM**
 16 **ACT?**

17 **A:** The South Carolina General Assembly passed A62 to ensure ratepayer access
 18 to solar energy in South Carolina. S.C. CODE ANN. § 58-41-40(A). The law requires
 19 the Commission to approve a 'solar choice metering tariff' for DESC, to succeed NEM
 20 policies approved by the Commission under A236. *See* S.C. CODE ANN. § 58-40-20(F).
 21 The law prohibits any policy that penalizes customer-generators for participating in

¹ Compare to a much shorter netting-period proposed by Dominion Energy South Carolina, Inc. in docket 2020-229-E.

1 DG. *See* S.C. CODE ANN. § 58-40-20(G)(2). In establishing DESC's 'solar choice
2 metering tariff,' the Commission should consider:

- 3 a) continuing private investment in "onsite" DG;
- 4 b) reducing regulatory and administrative burdens on the deployment of
- 5 DG; and
- 6 c) avoiding disruption of "customer-scale" DG.

7 *See* S.C. CODE ANN. § 58-40-20(A).

8 The law requires the Commission to establish a solar choice tariff without
9 qualification or exclusion based on rate-class (ie, for both residential and nonresidential
10 customers).

11 Alder Energy believes the compromise Non-residential Solar Choice tariff
12 represents the best possible balancing of A62's various express interests for successor
13 NEM tariffs, given the specific circumstances presented in these dockets and in light
14 of the nuances of Duke Energy's specific rate structures. Said otherwise, the same
15 terms would not necessarily express an appropriate balance of A62's various express
16 interests for successor NEM tariffs in other utilities' service territories.

17 **Q: DO YOU SUPPORT THE COMMISSIONS APPROVAL OF THE**
18 **STIPULATION?**

19 A: Yes, for the reasons stated-above. Alder Energy further requests that the
20 Commission enter an order requiring Duke Energy to file the Non-residential Solar
21 Choice tariffs.

22 **Q: DOES THAT CONCLUDE YOUR TESTIMONY?**

23 A: Yes.

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